

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

<p>In re:</p> <p>IN-SHAPE HOLDINGS, LLC,</p> <p style="text-align: center;">Debtor.</p>	<p>Chapter 11</p> <p>Case No. 20-##### ()</p> <p>Tax ID No. 90-0918112</p>
<p>In re:</p> <p>IN-SHAPE HEALTH CLUBS, LLC,</p> <p style="text-align: center;">Debtor.</p>	<p>Chapter 11</p> <p>Case No. 20-##### ()</p> <p>Tax ID No. 68-0992059</p>
<p>In re:</p> <p>IN-SHAPE PERSONAL TRAINING, LLC,</p> <p style="text-align: center;">Debtor.</p>	<p>Chapter 11</p> <p>Case No. 20-##### ()</p> <p>Tax ID No. 46-4377962</p>

**MOTION OF DEBTORS FOR ENTRY OF AN ORDER DIRECTING THE
JOINT ADMINISTRATION OF THE DEBTORS' CHAPTER 11 CASES**

The above-captioned debtors and debtors in possession (collectively, the “Debtors”) move this Court pursuant to Rule 1015(b) of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”) and Rule 1015-1 of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware (the “Local Rules”) for the entry of an order, in substantially the form attached hereto as Exhibit A, directing the joint administration of the Debtors’ chapter 11 cases (collectively, the “Cases”) and the consolidation thereof for procedural purposes only and granting certain related relief. In support of this Motion, the Debtors respectfully represent as follows:

JURISDICTION AND VENUE

1. This Court has jurisdiction to consider this matter pursuant to 28 U.S.C. §§ 157 and 1334 and the *Amended Standing Order of Reference from the United States District Court for the District of Delaware*, dated February 29, 2012. This is a core proceeding pursuant to 28 U.S.C. § 157(b). The Debtors confirm their consent pursuant to Local Rule 9013-1(f) to the entry of a final order by the Court in connection with this Motion to the extent that it is later determined that the Court, absent consent of the parties, cannot enter final orders or judgments in connection herewith consistent with Article III of the United States Constitution.

2. Venue for this matter is proper in this district pursuant to 28 U.S.C. §§ 1408 and 1409.

3. The bases for the relief requested herein are section 105(a) of title 11 of the United States Code, 11 U.S.C. §§ 101-1532 (the “Bankruptcy Code”), Bankruptcy Rule 1015(b), and Local Rules 1015-1 and 9013-1(m).

BACKGROUND

4. On the date hereof (the “Petition Date”), the Debtors filed voluntary petitions for relief under chapter 11 of the Bankruptcy Code.

5. The Debtors continue to operate their businesses and manage their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. No trustee, examiner, or official committee of unsecured creditors has been appointed in the Debtors’ cases.

6. An overview of the Debtors’ history and businesses, a summary of the events leading to the commencement of these Cases, and the facts supporting this Motion are set forth in the *Declaration of Sean K. Maloney in Support of Chapter 11 Petitions and First Day Motions*, filed contemporaneously herewith and incorporated by reference herein, and which establishes that

the joint administration of these Cases is warranted and will ease the administrative burden for the Court and the parties.

RELIEF REQUESTED

7. Through this Motion, the Debtors seek entry of an order, in substantially the form attached hereto as Exhibit A, directing the joint administration of the Debtors' Cases for procedural purposes only.

8. Specifically, the Debtors respectfully request that the Court maintain one file and one docket for the Debtors' Cases under the case of In-Shape Holdings, LLC and that the Cases be administered under the following consolidated caption (the "Proposed Caption"):

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:

IN-SHAPE HOLDINGS, LLC *et al.*,¹

Debtors.

Chapter 11

Case No. 20-##### ()

(Jointly Administered)

¹ The Debtors in these chapter 11 cases and the last four digits of each Debtor's U.S. tax identification number are as follows: In-Shape Holdings, LLC (8112); In-Shape Health Clubs, LLC (2059); In-Shape Personal Training, LLC (7962). The notice address for the Debtors is 6507 Pacific Avenue, #344, Stockton, California 95207.

9. The Debtors also request that a docket entry, substantially similar to the following, be entered on the docket in the Cases of In-Shape Health Clubs, LLC and In-Shape Personal Training, LLC:

An order has been entered in this case in accordance with Rule 1015(b) of the Federal Rules of Bankruptcy Procedure and Rule 1015-1 of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware directing the procedural consolidation and joint administration of the chapter 11 cases of: In-Shape Holdings, LLC (8112); In-Shape Health Clubs, LLC (2059); and In-Shape Personal Training, LLC (7962). The docket of In-Shape Holdings, LLC in Case No. 20-##### () should be consulted for all matters affecting this case.

BASIS FOR RELIEF

7. Bankruptcy Rule 1015(b) provides, in relevant part, that “[i]f a joint petition or two or more petitions are pending in the same court by or against . . . a debtor and an affiliate, the court may order a joint administration of the estates.” Local Rule 1015-1 states:

An order of joint administration may be entered, without notice and an opportunity for hearing, upon the filing of a motion for joint administration . . . supported by an affidavit, declaration or verification, which establishes that the joint administration of two or more cases pending in this Court under title 11 is warranted and will ease the administrative burden for the Court and the parties.

8. The Debtors—which include In-Shape Holdings, LLC, its wholly owned subsidiary, In-Shape Health Clubs, LLC, and its wholly-owned subsidiary, In-Shape Personal Training, LLC—are “affiliates,” as that term is defined in section 101(2) of the Bankruptcy Code. 11 U.S.C. § 101(2) (defining affiliate as an “entity that directly or indirectly owns, controls, or holds with power to vote, 20 percent or more of the outstanding voting securities of the debtor”). Accordingly, this Court is authorized pursuant to Bankruptcy Rule 1015(b) to grant the relief requested. An order of joint administration relates to the routine administration of a case and may be entered by the Court in its sole discretion on an *ex parte* basis. *See* Local Rule 1015-1.

9. The joint administration of the Cases will have several benefits, including (a) permitting the Clerk of the Court to utilize a single general docket for these Cases and combine notices to creditors of the Debtors’ respective estates and other parties in interest; (b) avoiding the need for duplicative notices, motions and applications, thereby saving the Debtors’ estates time and expense; (c) enabling parties in interest to have a single point of reference for all matters relevant to these Cases; (d) significantly reducing the volume of pleadings that otherwise would be filed with the Clerk of this Court; (e) rendering the completion of various administrative tasks

less costly; and (f) minimizing the number of unnecessary delays associated with the administration of separate chapter 11 cases.

10. Additionally, because this is not a motion for the substantive consolidation of the Debtors' estates, the rights of parties in interest will not be prejudiced or otherwise affected in any way by the entry of an order directing the joint administration of the Cases for procedural purposes only.

11. Pursuant to section 342(c)(1) of the Bankruptcy Code, "[i]f notice is required to be given by the debtor to a creditor . . . such notice shall contain the name, address, and last 4 digits of the taxpayer identification number of the debtor." The Proposed Caption contains all of the required information and, therefore, satisfies the terms of section 342(c) of the Bankruptcy Code.

12. For the reasons set forth above, the Debtors respectfully submit that the relief requested herein is in the best interests of the Debtors, their estates, creditors and other parties in interest and, therefore, should be granted.

NOTICE

13. Notice of this Motion shall be given to (a) the Office of the United States Trustee for the District of Delaware; (b) those creditors holding the 30 largest unsecured claims against the Debtors' estates; and (c) counsel for the DIP Agent. As this Motion is seeking "first day" relief, within 48 hours of entry of an order on this Motion, the Debtors will serve copies of this Motion and any order entered in respect to this Motion as required by Local Rule 9013-1(m). The Debtors submit that no other or further notice need be provided.

WHEREFORE, the Debtors respectfully request that the Court enter an order, substantially in the form attached hereto as Exhibit A.

Dated: December 16, 2020
Wilmington, Delaware

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*Proposed Attorneys for Debtors
and Debtors in Possession*

Exhibit A

(Proposed Order)

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

<p>In re:</p> <p>IN-SHAPE HOLDINGS, LLC,</p> <p style="text-align: center;">Debtor.</p>	<p>Chapter 11</p> <p>Case No. 20-##### ()</p> <p>Tax ID No. 90-0918112</p>
<p>In re:</p> <p>IN-SHAPE HEALTH CLUBS, LLC,</p> <p style="text-align: center;">Debtor.</p>	<p>Chapter 11</p> <p>Case No. 20-##### ()</p> <p>Tax ID No. 68-0992059</p>
<p>In re:</p> <p>IN-SHAPE PERSONAL TRAINING, LLC,</p> <p style="text-align: center;">Debtor.</p>	<p>Chapter 11</p> <p>Case No. 20-##### ()</p> <p>Tax ID No. 46-4377962</p>

**ORDER DIRECTING THE JOINT
ADMINISTRATION OF THE DEBTORS' CHAPTER 11 CASES**

Upon the *Motion of Debtors for Entry of an Order Directing the Joint Administration of the Debtors' Chapter 11 Cases* (the "Motion"),¹ filed by the above-captioned Debtors; and upon consideration of the First Day Declaration, the statements of counsel and the evidence adduced with respect to the Motion; and this Court having found that (i) the Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334 and the *Amended Standing Order of Reference* from the United States District Court for the District of Delaware, dated February 29, 2012, and that this Court may enter a final order consistent with Article III of the United States Constitution; (ii) venue is proper in this district pursuant to 28 U.S.C. §§ 1408 and 1409; (iii) this is a core proceeding pursuant to 28 U.S.C. § 157(b); and (iv) notice of the Motion

¹ Capitalized terms not otherwise defined herein shall have the meanings given to them in the Motion.

was sufficient under the circumstances; and this Court, after due deliberation, having found and determined that the relief requested in the Motion is in the best interests of the Debtors, their estates, and their creditors and good and sufficient cause having been shown;

IT IS HEREBY ORDERED THAT:

1. The Motion is GRANTED as set forth herein.
2. The above-captioned Cases shall be and hereby are consolidated for procedural purposes only and shall be administered jointly. The Clerk of the Court shall maintain one file and one docket for all of the Cases, which file and docket shall be the file and docket for Debtor In-Shape Holdings, LLC (the “Main Case”), Case No. 20-##### (____).
3. The caption of the jointly administered Cases shall read as follows:

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re: IN-SHAPE HOLDINGS, LLC <i>et al.</i> , ¹ Debtors.	Chapter 11 Case No. 20-##### (____) (Jointly Administered)
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¹ The Debtors in these chapter 11 cases and the last four digits of each Debtor’s U.S. tax identification number are as follows: In-Shape Holdings, LLC (8112); In-Shape Health Clubs, LLC (2059); In-Shape Personal Training, LLC (7962). The notice address for the Debtors is 6507 Pacific Avenue, #344, Stockton, California 95207.

4. All pleadings and notices shall be captioned as indicated in the preceding paragraph, and all original docket entries shall be made in the case of In-Shape Holdings, LLC in Case No. 20-##### (____). The consolidated caption satisfies the requirements of section 342(c) of the Bankruptcy Code in all respects.
5. An entry shall be made on the dockets in In-Shape Health Clubs, LLC and In-Shape Personal Training, LLC as follows:

An order has been entered in this case in accordance with Rule 1015(b) of the Federal Rules of Bankruptcy Procedure and Rule 1015-1 of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware directing the procedural consolidation and joint administration of the chapter 11 cases of: In-Shape Holdings, LLC (8112); In-Shape Health Clubs, LLC (2059); and In-Shape Personal Training, LLC (7962). The docket of In-Shape Holdings, LLC in Case No. 20-##### (____) should be consulted for all matters affecting this case.

6. Nothing contained in the Motion or this Order shall be deemed or construed as directing or otherwise effectuating a substantive consolidation of the above-captioned Cases, and this Order shall be without prejudice to the rights of the Debtors to seek entry of an order substantively consolidating their respective Cases.

7. The Debtors and the Clerk of the Court are authorized and empowered to take all actions necessary to implement the relief granted in this Order.

8. The terms of this Order are immediately effective and enforceable upon its entry.

9. This Court shall retain jurisdiction to hear and determine all matters arising from or related to the implementation, interpretation, or enforcement of this Order.